Solid Gold Publishers Sdn Bhd v Orang-orang yang tidak dikenali yang kononnya berniaga sebagai Shenton Video Centre (Terengganu) Sdn Bhd & Anor

HIGH COURT (KUALA TERENGGANU) — CIVIL SUIT NO 22-25 OF 1995
MOHD SAARI J
4 AUGUST 1997

Civil Procedure *— Anton Piller order — Setting aside — Statutory declaration in support of application for Anton Piller order was not sworn by owner of the copyright or agent authorized by him — Whether such declaration was admissible — Whether term 'contrivance' stated in the Anton Piller order was too wide — Whether defendant was likely to destroy the alleged contrivances — Whether Anton Piller order granted should be set aside — Copyright Act 1987 s 42*

Civil Procedure *— Parties — Copyright — Whether mandatory for the copyright owner to be joined as a party in an action against a third party alleged to have infringed the copyright — Whether person with no property interest in the copyright has locus standi against third party — Copyright Act 1987 s 38(3)*

The plaintiff was the exclusive holder of the copyright, by way of licences, for certain video tapes and films. For the purposes of obtaining prima facie evidence with regard to the act of infringement by the first defendant, the plaintiff successfully opened an account with the first defendant and rented a few of the films which copyright was alleged to be infringed. The plaintiff, by an ex parte application, obtained an Anton Piller order against the first defendant. On execution of the Anton Piller order, the plaintiff seized the alleged copyright-infringed copies of the films from the first defendant. The first defendant applied to have the Anton Piller order dissolved and sought an order for damages in consequence of the seizure. Counsel for the first defendant argued that there was no admissible evidence in support of the contention that the plaintiff was the exclusive licensee. He further contended that the statutory declaration in support of the plaintiff's application was a mere averment and that it had failed to comply with the requirement of s 42 of the Copyright Act 1987 ('the Act').

Held, allowing the application to set aside the Anton Piller order:

(1) Except with leave of the court or in an application for interim injunction, under s 38(3) of the Act, it is mandatory for the copyright owner to be joined as a party in an action against the first defendant. Being a person with no property interest in the copyright of the films, the plaintiff would have a contractual right against the property owner but not against the first defendant. The plaintiff in this case had failed to join the copyright owner as a party. Therefore, he had no locus standi against the first defendant and his action must fail (see p 126A–E); *CBS UK Ltd v Charmdale Record Distributors Ltd* [1980] 2 All ER 807 followed.

(2) In order for the statutory declaration to come within the ambit of s 42 of the Act, such declaration should be sworn by the owner of the copyright or the agent authorized by him. The maker of the statutory declaration in this case was not the owner of the copyright nor the agent authorized by the owner. As such, the statutory declaration was inadmissible. Therefore, the plaintiff did not have a strong prima facie case and would fail to satisfy the first condition laid down in *Anton Piller*'s case (see p 127C–D); *Anton Piller KG v Manufacturing Processes Ltd & Ors* [1976] 1 All ER 779 followed.

(3) The first defendant was entitled to know what were the specific types of contrivance he should surrender to the plaintiff. However, in this case, the first defendant would not know what contrivances were covered under the court order as the term 'contrivance' stated in the order was too wide. To dispel doubt, it should have been spelt out in the court order. The first defendant was also unlikely to destroy the alleged contrivances as they were expensive to acquire and he would need them for a legitimate purpose. An injunction would suffice to restrain the first defendant from further making infringed copies with the alleged contrivances (see pp 127E–I and 128A); *Columbia Picture Industries Inc & Ors v Robinson & Ors* [1986] 3 All ER 338 followed.

[Bahasa Malaysia summary

Plaintif merupakan pemegang eksklusif hakcipta, melalui lesen-lesen, untuk pita video dan filem-filem tertentu. Untuk tujuan mendapatkan keterangan prima facie berkaitan dengan perbuatan pelanggaran oleh defendan pertama, plaintif berjaya membuka suatu akaun dengan defendan pertama dan menyewa beberapa filem yang mana hakciptanya dikatakan telah dilanggar. Plaintif, menerusi suatu permohonan ex parte, memperolehi perintah Anton Piller terhadap defendan pertama. Apabila perintah Anton Piller dilaksanakan, plaintif merampas salinan filem-filem yang dikatakan melanggar hakcipta daripada defendan pertama. Defendan pertama memohon untuk membubarkan perintah Anton Piller dan meminta suatu perintah untuk ganti rugi akibat penyitaan. Peguam defendan pertama menghujahkan bahawa tiada keterangan boleh diterima bagi menyokong hujah bahawa plaintif adalah pemegang lesen eksklusif. Dia seterusnya menghujahkan bahawa perisytiharan statutori yang menyokong permohonan plaintif cumalah suatu penegasan dan bahawa ia telah gagal mematuhi keperluan s 42 Akta Hakcipta 1987 ('Akta tersebut').

Diputuskan, membenarkan permohonan untuk mengetepikan perintah Anton Piller:

(1) Melainkan dengan kebenaran mahkamah atau dalam suatu permohonan untuk injunksi interim, di bawah s 38(3) Akta tersebut, adalah mandatori untuk pemilik hakcipta dicantumkan

sebagai suatu pihak dalam tindakan terhadap defendan pertama. Sebagai seorang tanpa kepentingan harta dalam hakcipta filem-filem, plaintif akan mempunyai hak kontraktual terhadap tuan punya harta tetapi bukan terhadap defendan pertama. Plaintif dalam kes ini telah gagal mencantumkan pemilik hakcipta sebagai suatu pihak. Maka, dia tidak mempunyai locus standi terhadap defendan pertama dan tindakannya mestilah gagal (lihat ms 126A–E); *CBS UK Ltd v Charmdale Record Distributors Ltd* [1980] 2 All ER 807 diikut.

(2) Untuk membolehkan perisytiharan statutori dirangkumi oleh lingkungan s 42 Akta tersebut, perisytiharan haruslah diikrarkan oleh pemilik hakcipta atau ejen yang diberikuasa olehnya. Pembuat perisytiharan statutori dalam kes ini bukanlah pemilik hakcipta ataupun ejen yang diberikuasa oleh pemilik. Oleh itu, perisytiharan statutori tidak boleh diterima. Maka, plaintif tidak mempunyai suatu kes prima facie yang kukuh dan akan gagal memenuhi syarat pertama yang dinyatakan dalam kes *Anton Piller* (lihat ms 127C–D); *Anton Piller KG v Manufacturing Processes Ltd & Ors* [1976] 1 All ER 779 diikut.

(3) Defendan pertama berhak mengetahui apakah jenis alat spesifik yang harus diserah kepada plaintif. Namun demikian, dalam kes ini, defendan pertama tidak akan tahu apakah alat-alat yang dirangkumi oleh perintah mahkamah kerana terma 'alat' yang dinyatakan dalam perintah adalah terlalu luas. Untuk melenyapkan keraguan, ia sepatutnya telah dijelaskan dalam perintah mahkamah. Defendan pertama juga tidak mungkin memusnahkan alat-alat yang dikatakan kerana mereka adalah terlalu mahal untuk dibeli dan dia akan memerlukannya untuk tujuan yang sah. Suatu injunksi mencukupi bagi menahan defendan pertama daripada membuat salinan lanjut yang melanggar dengan alat-alat yang dikatakan (lihat ms 127E–I dan 128A); *Columbia Picture Industries Inc & Ors v Robinson & Ors* [1986] 3 All ER 338 diikut.

[*Editorial Note*: The plaintiff has appealed to the Court of Appeal vide Civil Appeal No T–02–434 of 1997.]

Notes

For cases on setting aside an Anton Piller order, see 2 *Mallal's Digest* (4th Ed, 1994 Reissue) paras 254–257.

For cases on parties, see 2 *Mallal's Digest* (4th Ed, 1994 Reissue) paras 2362–2498.

Cases referred to

Anton Piller KG v Manufacturing Processes Ltd & Ors [1976] 1 All ER 779 (folld)

A *CBS UK Ltd v Charmdale Record Distributors Ltd* [1980] 2 All ER 807 (folld)
Columbia Picture Industries Inc & Ors v Robinson & Ors [1986] 3 All ER 338 (folld)

B **Legislation referred to**
Copyright Act 1987 ss 38(3), 42

SS Gill (*SS Gill & Partners*) for the plaintiff.
JE Chuah (*Shearn Delamore & Co*) for the first defendant.

C **Mohd Saari J**: On 21 June 1995, the plaintiff, by an ex parte application (encl 2), obtained an Anton Piller order against the first defendant. In a statutory declaration (encl 4) by Quay Cheng Hor dated 20 June 1995 in support of the application, it states, inter alia:

D (i) Solid Gold is the exclusive holder of the copyright by way of licences for the video tapes and films listed in schedule 'A' (Chinese drama series), schedule 'B' (Chinese feature films) and schedule 'C' (English feature films) which is attached herewith ('the said films');

(ii) As an exclusive licensee, the plaintiff has exclusive rights to control in the whole of Malaysia, the reproduction in any material form, the E performance, screening, showing or playing to the public, the broadcasting, the communication by cable; and the distribution of the said films to the public by sale, rental, leasing or lending, of the whole work or a substantial part thereof either in its original or derivative form;

F (iii) the recording, duplication of all the said films in any form carried without the lawful consent of the plaintiff for the purposes of exhibiting, screening, or showing to the public through sales, rental, leasing, loan or communication by cable are deemed as acts infringing the rights of the plaintiff; and

G (iv) the plaintiff operates a large business in the importation, distribution, sales and rental of the said films in the form of video cassettes, cinematograph films, laser discs and cable communication throughout the country.

For the purpose of obtaining prima facie evidence with regard to the act of H infringement by the first defendant, the plaintiff, as stated in the affidavit of Eh Chiau s/o Eh Mai (encl 3), successfully opened an account with the first defendant and rented a few of the said films.

On execution of the Anton Piller order, the plaintiff seized the alleged infringed copies of the said films as per the list of copyright titles annexed to the application.

I The first defendant by encl 30 applied to have the Anton Piller dissolved and sought for an order for damages in consequence of the said seizure.

Preliminary issue

Except with leave of the court or in an application for interim injunction, under s 38(3) of the Copyright Act 1987, it is mandatory for the copyright owner, who has a property interest in the copyright of the said films, to be joined as a party in an action against the first defendant, as here. The rationale for such a proposition is, being a person with no property interest in the copyright of the said films, the plaintiff has a contractual right against the property owner but not against the first defendant (third party). As stated by Browne-Wilkinson J in *CBS UK Ltd v Charmdale Record Distributors Ltd* [1980] 2 All ER 807 at p 811:

> I reject this argument for a number of reasons. First, I would not expect a licensee to be treated as having a property interest in the copyright. Under the general law, a licensee is a person who enjoys contractual rights as against the property owner. I can find nothing in the Act which conflicts with the principle that the licensee's rights rest in contract and are not proprietary. Under s 19 of the Act [in pari materia with s 38 of the Copyright Act 1987], an exclusive licensee is given a procedural right of action to sue for infringement. But the section is purely procedural, and, save in the case of interlocutory injunctions, requires the owner of the copyright to be joined as a party.

Turning to the instant case, as the plaintiff has failed to join the copyright owner as a party, I hold that the plaintiff has no locus standi against the first defendant. Hence, the action by plaintiff against the first defendant must fail in limine.

Main application

Next, I turn to the application (encl 38) by the first defendant to set aside the Anton Piller order. In *Anton Piller KG v Manufacturing Processes Ltd & Ors* [1976] 1 All ER 779, Ormrod LJ said at p 784:

> There are three essential pre-conditions for the making of such an order, in my judgment. First, there must be an extremely strong prima facie case. Secondly, the damage, potential or actual, must be very serious for the plaintiff. Thirdly, there must be clear evidence that the defendants have in their possession incriminating documents or things, and that there is a real possibility that they may destroy such material before any application inter partes can be made.

Learned counsel for the first defendant argued that there is no admissible evidence in support of the contention that the plaintiff was the exclusive licensee. Counsel contended that the statutory declaration by Quay Cheng Hor (encl 4) in support of plaintiff's application was a mere averment and that the plaintiff had failed to comply with the requirement of s 42 of the Copyright Act 1987 which states:

> (1) An affidavit or statutory declaration made before any person having authority to administer oath by any person claiming to be the owner of the copyright or by his agent in any of the works eligible for copyright under this Act stating that —
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> (a) at the time specified therein copyright subsisted in such work;

A (b) he is the owner of the copyright; and

(c) a copy of the work annexed thereto is the true copy thereof,

shall be admissible in evidence in any proceedings under this Act and shall be prima facie proof of the facts contained therein.

(2) Any person who acts as an agent for the purposes of sub-s (1) shall be B required to produce such authorization in writing.

(3) If the ownership of the copyright is claimed by a company or any other body of persons, the affidavit or statutory declaration shall be made by a responsible officer of the company or body of persons.

Encik SS Gill, learned counsel for the plaintiff, submitted that the plaintiff C had complied with the conditions as laid down in *Anton Piller*'s case.

In my opinion, in order for the statutory declaration to come within the ambit of s 42 of the Copyright Act 1987, such declaration should be sworn by the owner of the copyright or the agent authorized by him. However, in the instant case, it is noted that the maker of the statutory declaration was not the owner of the copyright nor was he authorized in D writing by the owner. That being the case, the statutory declaration (encl 4) is inadmissible. Hence, in the absence of admissible evidence, the plaintiff has failed to satisfy the first condition within the principle enunciated in *Anton Piller*'s case.

E *Contrivances*

On the wording of the court order, the first defendant is entitled to know what are the specific types of contrivance he should surrender to the plaintiff. In the instant case, the first defendant would not know what contrivances were covered under the court order as the term 'contrivance' F stated in the order is too wide. Hence, to dispel doubt, the specific contrivance should be spelt out clearly in the court order. As stated by Scott J in *Columbia Picture Industries Inc & Ors v Robinson & Ors* [1986] 3 All ER 338 at p 364:

> Counsel, however, has sought on the plaintiff's behalf an injunction of a G very great breadth. He has sought an injunction restraining the defendants from knowingly infringing copyright in any film for the time belonging to any of the plaintiffs (meaning any member of the MPAA besides the named plaintiffs) or in respect of which any of them is for the time being the exclusive licensee.
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> It would be impossible for the defendants to know what films were H covered by an injunction in that form. In my judgment, it would be wrong in principle to grant an injunction the scope of which the defendants subject to it could not know and could not discover.

The main purpose of seizure under the Anton Piller order is to preserve material evidences, namely the infringed copies of the said films. Having I regard to natural probability of human conduct, the chances of the first defendant destroying the alleged contrivances would be minimum. Why should the first defendant destroy it? The alleged contrivances were expensive to acquire. Further, the first defendant would need the alleged contrivances for a legitimate purpose. For the purpose of preserving material

evidence, an injunction would suffice to restrain the defendant from further making infringed copies with the alleged contrivances. As stated by Scott J in *Columbia Picture Industries Inc & Ors v Robinson & Ors* [1986] 3 All ER 338 at p 371:

> The draconian and essentially unfair nature of Anton Piller orders from the point of view of respondents against whom they are made requires, in my view, that they be so drawn as to extend no further than the minimum extent necessary to achieve the purpose for which they are granted, namely the preservation of documents or articles which might otherwise be destroyed or concealed. Anything beyond that is, in my judgment, impossible to justify.

Further, on p 352, his Lordship said:

> The authority to remove documents extend to 'any documents relating in any way' to illicit goods. The breadth of this is obvious. It justifies, conceptually at least, the removal of every document relating in any way to the defendants' business. The order authorized the removal of all machines and associated equipment used for making illicit goods. I find it difficult to see how an order for the removal of the video recorders at least could have been justified.

In the premise, I enter judgment for the first defendant and set aside the Anton Piller order dated 21 June 1995 with costs to the first defendant. Further, I order enquiry for the damages to be assessed.

Application to set aside Anton Piller order allowed.

Reported by David Lai